

# In focus

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Key issues affecting the building  
services engineering sector in  
**Yorkshire & Humberside**

Facilitated by  
**Summit** SKILLS  
The Sector Skills Council  
for Building Services Engineering

**HORIZON**

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the sector skills agreement  
for building services engineering

# New entrants

## BASIC SKILLS

- 40% of employers in Yorkshire and Humberside have major concerns at the low level of literacy and numeracy of new entrants.
- Concerns are also expressed by Yorkshire and Humberside companies about the poor employability and attitudinal skills among new entrants.

## DIVERSITY

- 45% of firms employ women in technical roles.
- 45% of firms also have employees from ethnic minority groups working in technical roles.
- Yorkshire and Humberside performs extremely well in recruiting females and employees from ethnic minority groups compared to other regions. What else can be done to support and develop this good practice?

## MIGRANT WORKERS

- 21% of firms stated they employ migrant workers at present.
- The expected increase in the requirement for skilled operatives may increase this number.
- Is there a need to develop English courses and health & safety training for migrant workers?

## SKILLS REQUIREMENTS

- 64% of employers need their craft workforce to be trained to Level 3. However, Learning & Skills Council funding is driven by Level 2 targets. Stakeholders and partners also accept Level 3 as the industrial standard.
- Companies also believe government policies on funding are putting older apprentices (19+), who are more attractive to the sector, at a disadvantage.
- There is some concern at the quality of training provision in the region.
- Yorkshire and Humberside also shows an inadequate amount of training of management and supervisory staff, which is mirrored elsewhere in the UK.

## SCENARIO PLANNING

- SummitSkills has two workforce forecasting models for labour requirement, produced by BSRIA and Experian.
- 85% of Yorkshire and Humberside employers expect that the market for their services will grow, which will fuel the need for new entrants.
- Therefore, SummitSkills recommends that the more optimistic model is applied to Yorkshire and Humberside planning.

## THE BIG QUESTIONS:

- Q How important are each of these issues to business?
- Q What are the most effective ways of dealing with them?
- Q Are there solutions already in place that meet the needs identified?
- Q Can other solutions that are already in place be adjusted or developed?

# Business & workforce development

## SKILLS REQUIREMENTS

- Yorkshire and Humberside employers identified practical skills as skills most currently needed.
- However, 45% did not identify any further skills requirements than current levels.
- 61% did not train their supervisory or management staff – this may be impacting adversely on productivity.
- Day release creates a problem for some employers – distance learning may be a solution.
- Whilst some firms mentioned practical and environmental skills, 67% of employers did not foresee any future skills requirements for their company.

## RETIREMENT AND NATURAL WASTAGE

- The majority of firms (94%) in Yorkshire and Humberside do not carry out retirement planning. This is clearly not enough to make allowances for losing members of the workforce.
- Trade Associations offer training in retirement planning – should the principles of this training be rolled out more proactively?

## RIVALRY & PARTNERING

- There is a significant amount of rivalry between firms with competition for contracts.
- Extended contracts and partnering arrangements in the public sector, which encourage cooperation rather than competition, are becoming prevalent elsewhere in England. There is less evidence of this in Yorkshire and Humberside.
- Is further training needed to encourage and address the development of new partnering arrangements?

## BARGAINING POWER WITH SUPPLIERS/CLIENTS

- In bargaining power with clients, Yorkshire and Humberside employers stated that whilst quality and reputation do influence, many felt price was their major bargaining factor.
- Use of supply chain management with suppliers was mentioned by 8% of the companies surveyed in the region.
- Would more efficiency be achieved through training for the sector on supply chain management techniques?

## RESEARCH AND DEVELOPMENT

- 36% of companies engage in forms of research – the majority of firms who don't will be at a disadvantage.
- SummitSkills is well positioned to work as a broker to enhance the marketability and relevance of research to the industry.

## NEW IT IMPLEMENTATION

- Yorkshire and Humberside employers are responding well to new IT, with considerable commitment, investment and varying degrees of expertise amongst staff.
- Some workers may require further training to increase IT skills levels, to make full use of technologies available and improve productivity in the future.

## ENTERPRISE

- 39% of firms feel that entrepreneurship is an important issue. Slightly less feel they have the necessary skills.
- Does the sector need to investigate development in entrepreneurial skills, either as bespoke courses or through integration in general vocational education?
- SummitSkills notes that as much new business and entrepreneurial activity begins with small firms started by craft operatives, this training should be extended to all levels within the curriculum, and should not be seen as a management or technician function.

## BENCHMARKING

- The sector is able to access benchmarking systems, but the majority of companies choose not to do so.
- 21% of Yorkshire and Humberside firms engage in formal benchmarking. This is considerably better than elsewhere in the UK.
- However, 36% carry out no benchmarking at all. In this respect the region compares poorly to other areas that benchmark informally.
- In order for more firms to benefit from formal techniques, should formalised benchmarking practices be integrated into training for managers and supervisors?

## THE BIG QUESTIONS:

Q Which of the issues listed above need the most urgent attention?

Q How can they be dealt with?

Q Are there systems or programmes already in place that meet these needs?

Q Can existing solutions be adjusted or developed?

# External influences

## GLOBALISATION

- 76% of employers in Yorkshire and Humberside do not think that the market will be adversely affected by foreign competition.
- However, through open tendering systems companies may experience rivalry from abroad for work in home markets.
- If the employer perception is incorrect, it may leave the sector vulnerable once foreign competition becomes established.

## TECHNOLOGY/ENVIRONMENTAL CHANGE

### *The driving force:*

- The UK's energy policy commits to cut CO2 emissions by 60% by 2050.
- £22m will be invested over two years to strengthen consumer demand for energy efficiency.
- The Government Office for Yorkshire and The Humber has set targets for emission reductions and energy production from renewable sources including onshore wind, biomass and solar.

### *The skills need:*

- 48% of employers feel they are comfortable in environmental skills; however, these appear to be restricted to existing legislative-driven technology such as condensing boilers.
- Less are confident in skills such as solar and photovoltaic.
- The sector is reactive rather than proactive in training in new technologies.
- To meet the increasing demand for installation and maintenance of renewable energy, more certified training opportunities need to be developed.

## GOVERNMENT REGULATION

- Employers feel that there is insufficient inspection taking place on sites with regards to monitoring competence card regimes.
- Many companies point towards the effects of health & safety costs as being problematic. Implementation of regulations may be affecting the competitiveness of compliant companies when they compete for work with 'cowboys'.

## THE BIG QUESTIONS:

- Q How do these external influences impact on business?
- Q How can the sector ensure that it is prepared for change?
- Q Are there existing solutions that meet the needs identified?
- Q Can other solutions that are already in place be adjusted or developed?

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